

# Knowledge Development Box

Adds a further dimension to **Ireland's 'best-in-class' Tax offering**



- ✚ A Tax Rate of 6.25% will apply to profits arising to certain Intellectual Property Assets which are the result of qualifying Research & Development activity carried out in Ireland
- ✚ Qualifying Intellectual Property assets are patented inventions and copyrighted software
- ✚ The KDB will take effect 1 January 2016
- ✚ Encourage companies to develop IP in Ireland that have a high 'value add' for the Irish economy
- ✚ This is the first and only KDB (Knowledge Box or Patent Box) in the world to meet the OECD's 'modified nexus' standard
- ✚ Will provide long-term certainty to taxpayers

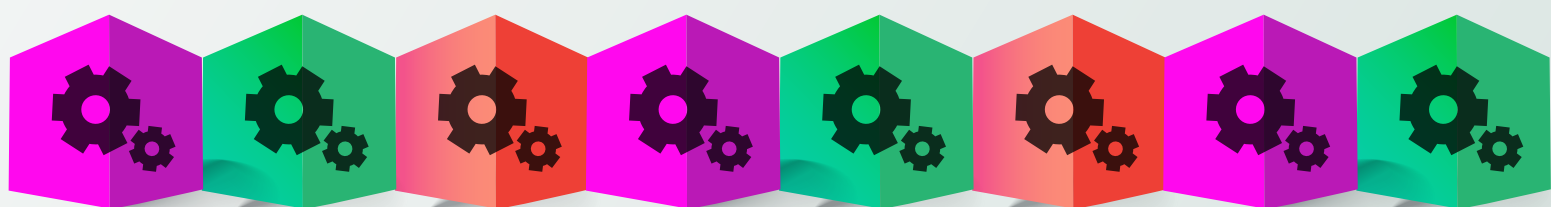
## How it Works

The amount of profits that can avail of the relief will be determined by the proportion that the Irish company's R&D bear to the total R&D costs incurred to develop the qualifying assets e.g. if Irish company performs **50% of the R&D that developed the asset in Ireland**, then **50% of the income arising to that asset will qualify**.

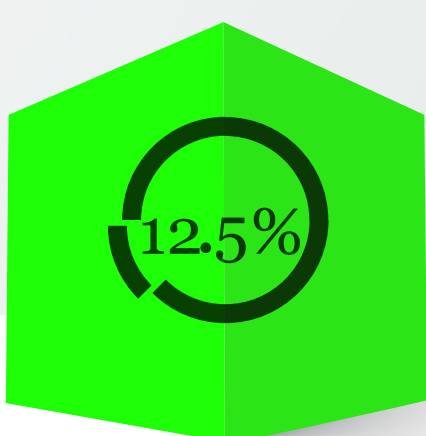
## Ireland's 'best-in-class' offering for R&D



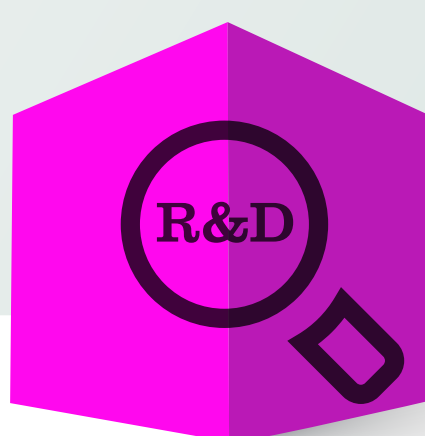
### Knowledge Development Box



### IDA Ireland R&D Funding



**12.5%**  
Corporate Tax Rate



**25%**  
R&D Tax Credit



**Excellent IP Tax Regime**  
Relief on investment in intangible assets